

- 8.5. Describe how the state will ensure that the annual aggregate cost sharing for a family does not exceed 5 percent of such family's income for the length of the child's eligibility period in the State. Include a description of the procedures that do not primarily rely on a refund given by the state for overpayment by an enrollee: (Section 2103(e)(3)(B)) (42CFR 457.560(b) and 457.505(e))

The family share of premium payments and co-payment caps were calculated to not exceed 5% of the lowest qualifying family income within each of the two income bands for subsidized benefits (e.g. 5% of 185% FPL and 5% of 235% FPL). Co-payments are tracked by the MCOs and reported to the SPES. The MCOs are required to ensure that the copays do not exceed \$760 per year. If a family exceeds \$760 per year in co-payments, the MCO is required to reimburse the excess above \$760 to the family. The maximum premium, which could be paid by a family in Income Band 1, is \$360 per year (\$30 per month x 12 months) for a family with one child and \$600 per year (\$50 per month x 12 months) for a family with two or more children. Co-payments are capped at \$760 per year, therefore the maximum cost share for which a family in Income Band 1 can be liable is \$1,120 (one child) or \$1,360 (two or more children) per year, which is less than 5% of the 185% FPL. The maximum premium, which can be paid by a family in Income Band 2 is \$600 (\$50 per month x 12 months) for a family with one child or \$900 per year (\$75 per month x 12 months) for a family with two or more children. Copayments are capped at \$760 per year, therefore the maximum cost share for which a family in Income Band 2 can be liable is \$1,360 (one child) or \$1,660 (two or more children) per year, which is less than 5% of 235% FPL.

- 9.10. Provide a one year projected budget. A suggested financial form for the budget is attached. The budget must describe: (Section 2107(d)) (42CFR 457.140)

Planned use of funds, including --

- Projected amount to be spent on health services;
- Projected amount to be spent on administrative costs, such as outreach, child health initiatives, and evaluation; and
- Assumptions on which the budget is based, including cost per child and expected enrollment.

□ Projected sources of non-Federal plan expenditures, including any requirements for cost sharing by enrollees.

The SCHIP budget, as provided in Appendix 9.1.0 is based upon the following assumptions:

The SCHIP program estimate for FFY 2004 and FFY 2005 assumes 13,712 HUSKY B clients as of February 2004 and an average monthly enrollment increase of 140 clients. This estimate assumes 66% of clients are enrolled in Band 1 and 34% of clients are enrolled in Band 2. The average monthly capitation payment for Band 1 is estimated at \$159.48 for the current FFY budget and \$132.37 for the current budget + SPA. For Band 2, the average monthly capitation payment is estimated at \$132.37 for the current FFY budget and \$117.46 for the current budget + SPA. HUSKY Plus expenditures are estimated at \$810,000 in FFY 2004

and \$840,000 in FFY 2005. It is assumed that the state will fully claim up to the 10% administrative cap.

Sources for the non-Federal plan expenditures are beneficiary cost-sharing (premiums, as described above) and State funding through direct State (legislative) appropriations under the HUSKY 12239 account.

Please see attached Appendix 9.10, which includes the budget for FFY 2003 and FFY 2004